

STAND. COM. REP. NO.

1554

Honolulu, Hawaii

APR 10 2015

RE: H.B. No. 540  
H.D. 1  
S.D. 2

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 540, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII  
ACCOUNTING AND FINANCIAL MANAGEMENT SYSTEM,"

begs leave to report as follows:

The purpose and intent of this measure is to extend the authority of the University of Hawaii to maintain a separate accounting and financial management system that is compatible with the State of Hawaii accounting and financial systems.

Your Committee received written comments in support of this measure from the Department of Education and the University of Hawaii.

Your Committee finds that Act 321, Session Laws of Hawaii 1986, among other things, granted the University of Hawaii authority to implement its own accounting system, in conformity with generally accepted accounting principles as applied to colleges and universities. Pursuant to this authority, the University of Hawaii developed and has been using its own financial management system, the most recent version of which is the Kualii Financial System. Your Committee notes that the Kualii Financial System, which was developed with and is supported by a consortium of universities, accommodates the unique reporting, regulatory, and accreditation needs of the University of Hawaii, while also providing the compatibility necessary to fulfill the

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reporting requirements of the Department of Accounting and General Services.

Your Committee also finds that the amendments made to sections 40-1(b), 40-2, 40-4, 40-6, 40-58, and 40-81, Hawaii Revised Statutes, by this measure do not conflict with amendments made to those statutes by House Bill No. 1412, H.D. 2, S.D. 1. If both of these measures are passed by the Legislature during the Regular Session of 2015, the Revisor of Statutes will be able to harmonize the amendments made to those sections of law by both measures.

Your Committee has amended this measure by:

- (1) Changing the effective date to June 29, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 540, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 540, H.D. 1, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
JILL N. TOKUDA, Chair



The Senate  
Twenty-Eighth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>HB540 HDISDI</b>	Committee Referral: <b>HEA, WAM</b>	Date: <b>4-7-15</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311         </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310         </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313         </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.	✓			
SLOM, Sam	✓			
TOTAL	10	0	0	1
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted           <input type="checkbox"/> Not Adopted         </div>				
Chair's or Designee's Signature: <span style="font-family: cursive; font-size: 1.2em;">M. P. M.</span>				
<b>Distribution:</b> <div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

\*Only one measure per Record of Votes